

UNDERWRITING UPDATE

Reminder: Preferred Credits May Improve Underwriting Offers

The American General Life Companies insurers continue to offer a Preferred Credits program that allows underwriters to place an applicant in the best underwriting class possible.

What does this mean?

Do you have an applicant with a family history who qualifies for a Preferred Nontobacco rating?

Scenario: A female applicant, age 40, applies for \$1 million of term insurance. On the family history portion of her exam, she notes her father developed heart disease at age 50, which would automatically drop her into the Preferred Nontobacco category. However, if her build, cholesterol, and blood pressure readings meet the criteria developed for Preferred Credits, her classification could be improved to Preferred Plus.

- Q. Does an agent/agency have to contact underwriting to request Preferred Credits be reviewed on a case?
- A. No, underwriters do not wait for an agency to call to see if an applicant could qualify for the Preferred Credits program. Underwriters automatically check to see if an applicant meets the criteria to improve the classification. Underwriters will inform the agency if the approval includes Preferred Credits.

Eligibility for Preferred Credits

- All products are eligible
- All amounts up to automatic binding limit acceptable
- Ages 18-70

Key Factors

- Preferred Credits allow improvement of one class only, e.g., Standard Nontobacco to Standard Plus or Standard Plus to Preferred Nontobacco
- Preferred Credits can be applied to build or family history for term cases
- Preferred Credits can be applied to build, family history or cholesterol for permanent cases
- Preferred Credits cannot be applied to unfavorable blood pressure readings, MVR, avocation/aviation or tobacco use (cannot change a tobacco rating to a nontobacco rating)
- Preferred Credits can apply to nontobacco and tobacco classes

Questions about American General Life Companies' Preferred Credits program may be directed to your Underwriting Department.